IN THE

Supreme Court of the United States

October Term 1959

No. 214

MILLER MUSIC CORPORATION,
Petitioner,

against

CHARLES N. DANIELS, INC.,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

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Opinions Below

The opinion of the United States District Court for the Southern District of New York is reported at 158 F. Supp. 188. The Court of Appeals for the Second Circuit affirmed the judgment of the District Court upon the opinion of Judge Bryan. The Court of Appeals' *per curiam* decision and the dissenting opinion of Washington, J., appear at 265 F. 2d 925.

Jurisdiction

The judgment of the Court of Appeals was entered on April 23, 1959. The Petition for a Writ of Certiorari was filed on July 16, 1959. The jurisdiction of this Court is invoked under 28 U. S. C. § 1254.

Statute Involved

The statutory provision involved is 17 U. S. C. § 24 (former § 23 of the Copyright Act of March 4, 1909, c. 320, 35 Stat. 1075), the pertinent portion of which is, as follows:

> "§ 24 DURATION; RENEWAL AND EXTENSION.—The copyright secured by this title shall endure for twenty-eight years from the date of first publication, * * * *And provided further,* That * * * the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: * * *."

Questions Presented

1. Whether, under the statutory scheme of copyright renewal, as expressed in 17 U. S. C. Sec. 24 (quoted above), the *inter vivos* assignment of the author's renewal interest in a copyright vests any renewal rights in the assignee in the event that the author dies prior to the commencement of the 28th year of the original period of U. S. copyright?

2. Under circumstances in which an author dies prior to the commencement of the 28th year of the original copyright and is not survived by a widow or issue, but does leave a will, does his *inter vivos* assignment of the renewal interest defeat the executor's right of renewal for the beneficiaries under the author's will when it is conceded that such an assignment would not defeat the renewal rights of a widow, widower, child or next of kin?

Statement

Charles N. Daniels, also known as Neil Moret, and Ben Black composed the musical composition "Moonlight and Roses (Bring Mem'ries Of You)", and the composition was registered for copyright on January 9, 1925 (R. 7a-8a).* Since the original term of copyright expired on January 9, 1953, the twenty-eighth year of the original term commenced January 9, 1952. Both Daniels and Black died prior to the commencement of the final year of the original term.

Petitioner, a music publisher, entered into an agreement with Ben Black on October 3, 1946, whereby Black assigned to petitioner all his right and interest as co-author in the renewal copyrights to 18 compositions, including "Moonlight and Roses", in consideration of petitioner's promise to pay certain royalties and the payment of $1,000 as an advance against such royalties (Ex. A, R. 13a-16a). The agreement provided that the royalties earned by the 18 songs would be paid only if petitioner actually acquired the renewal copyright to each such song.

Petitioner also obtained assignments of Ben Black's interest in the renewal copyrights to the 18 songs from Ben Black's brothers, David, Jules and Isidore. These assignments as well as that of Ben Black to petitioner were recorded in the Copyright Office on October 27, 1946 (R. 9a).

Ben Black died testate in California in 1950 leaving no surviving widow or children; his will was duly probated in 1951 (R. 9a). The will made certain specific bequests and provided that the residuary of the estate go to decedent's nieces and nephews.

On January 16, 1952, David Black as sole executor of the Estate of Ben Black, obtained a renewal registration on

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* As in the Petition for Certiorari, record references are to pages of Plaintiff-Appellant's Appendix below.

the copyright of "Moonlight and Roses" and received the certificate of registration (R. 10a). In March, 1952, as part of its decree of final distribution in the probate of the Ben Black Estate, the Superior Court of the State of California, in and for the City and County of San Francisco, ordered distribution of the Estate's interest in "Moonlight and Roses" to the nieces and nephews, including the renewal copyright therein (R. 10a).

On May 1, 1952, Ben Black's nieces and nephews, and the executor of his Estate, entered into an agreement assigning to Respondent all their right, title and interest, vested or contingent, in and to certain musical compositions including "Moonlight and Roses", together with the renewal copyrights therein (R. 11a).

Respondent had previously obtained the interest of the co-author, Charles N. Daniels, in the renewal term (R. 10a-11a, Ex. E, R. 24a), and upon commencement of the renewal term on January 9, 1953, began the publication, exploitation and licensing of "Moonlight and Roses" as the sole owner of the entire United States renewal copyright.

The dispute herein concerns the Ben Black interest only. Petitioner (plaintiff below) maintains that it is entitled to partial ownership in the renewal copyright by virtue of the *inter vivos* assignments it received from Ben Black and his brothers.

Respondent contends that the contingent right which Ben Black had assigned to petitioner never materialized since, by reason of Black's death prior to the twenty-eighth year of the original term, the executor succeeded to the separate and independent renewal right under the system of succession established by Congress in 17 U. S. C. § 24.

Both parties moved for summary judgment upon an agreed statement of facts and a series of documentary exhibits annexed thereto. The District Court denied petitioner's motion, and granted respondent's; the complaint

was dismissed and judgment upon respondent's counterclaim entered, enjoining petitioner from making any claim to ownership of the renewal copyright in "Moonlight and Roses."

The Court's ruling in favor of respondent was based upon thoroughly established copyright law: that until the last year of the original copyright term, the author has merely a contingent interest in the renewal copyright; that an author's prior assignment of the renewal copyright is effective only if he survives into the last year of the original term; that if he fails so to survive, the right of renewal, being an entirely separate and independent grant, vests in his widow, children, executor or next of kin, according to the system of succession established by Congress; that Ben Black's assignment to petitioner would concededly have been void as against a widow, child, or (had he died intestate) his next of kin; and that Section 24 of the Copyright Act makes no exception in the case of an executor who obtains the renewal rights as representative of the residuary legatee.

Accordingly, the Court concluded that the executor's right to renew was independent of the author's right during his lifetime, and that petitioner's contingent assignment failed because the rights purportedly conveyed in the assignment never vested.

The Court of Appeals affirmed the District Court's judgment and adopted Judge Bryan's opinion. Judge Washington's dissent urges broadly that, since an author may make an assignment of his contingent interest in the renewal copyright which will be binding upon him once the renewal rights vest, so should this assignment of rights, which never vested in the author, be binding upon his executor even in the face of a will whose terms are in derogation of the assignment.

Argument

1. Petitioner's principal contention is that the decision below is in conflict with existing authorities governing renewal copyrights. An examination of the cases cited by petitioner, however, indicates that the courts below scrupulously followed these decisions insofar as they are determinative of the issue at bar.

Fox Film Corporation v. *Knowles*, 261 U. S. 326 (1923), did not involve an *inter vivos* assignment by the author; clearly "the precise issue * * * for determination" [Pet. for Cert. p. 12] was not at all the same as in the within action.

In the *Fox Film* case, the author of two copyrighted poems died two years prior to the expiration of the existing term of copyright leaving neither widow or children. The executor under his will obtained the copyright renewal and subsequently assigned the dramatic rights in the poems of plaintiff. Defendant apparently conceded copying, but contended that the executor did not have the right to renew the copyright. Since the renewal right is a separate estate which comes into being one year prior to the expiration of the existing term, and since the author at the time of his death could not have renewed, then, defendant urged, neither could the executor renew. "[T]he statute gave nothing to the executor except when the testator had the right to renew at the moment of his decease." 261 U. S. at 329.

In his opinion, Mr. Justice Holmes rejected the defendant's argument and followed reasoning closely akin to that of Judge Bryan in the within action; that is, the widow, children or next of kin can clearly renew in the circumstances involved; and there is nothing in the statutory grant putting an executor in a position any different from theirs. Implicit in the Court's opinion is the holding that the renewal copyright is an estate separate from that of the

author's original term of copyright, devolving upon the widow, child, executor or next of kin, as the case may be, independently of the author's survival into the last year of the original term. See also, *De Sylva* v. *Ballentine*, 351 U. S. 576 (1956).

Fred Fisher Music Co. v. *M. Witmark & Sons*, 318 U. S. 643 (1943), involved an assignment by the author of his expectancy in the renewal copyright during the original term and gave his assignee, Witmark, a power of attorney to apply for the renewal in the author's name. During the twenty-eighth year of the original term, both the assignee and the author, who was still alive, applied for the renewal copyright. Subsequently the author assigned his renewal to another publisher, Fred Fisher Music Co.

Since the author had survived into the twenty-eighth year, there was no question of conflict with a widow, child, executor or next of kin. Rather, the issue was drawn between two assignees of an author whose renewal rights had vested in him by reason of such survival. This Court held that the Copyright Act does not nullify the author's agreement made during the original copyright term to assign his renewal, and that the prior assignment by the author of rights which he eventually acquired was binding upon him.

It does not follow, from the *Fred Fisher Music Co.* case, as petitioner apparently urges [Pet. for Cert. p. 11], that "[a]ccordingly, the executor's right of renewal is not derived solely and directly from the statute * * *." That case never considered or purported to determine the basis upon which an executor renews. Neither does the opinion below rest upon the assumption that the executor acts, independently of any right of the testator, personally and beneficially for his own account.

The Court below decided that the contingent rights which the author assigned to petitioner never vested, and

that petitioner accordingly got nothing. Because the executor's renewal right was independent of the author's (as are the widow's and child's or next-of-kin's), and because the author's will so directed, the executor rightfully distributed the renewal copyright to respondent's assignors. There is nothing in Judge Bryan's decision or opinion that conflicts with the *Fred Fisher Music Co.* case, or any other decision of this Court.

The petition here also errs in stating (p. 11) that in *De Sylva* v. *Ballentine*, 351 U. S. 570 (1956), this Court said that a binding assignment through an executor may be made in the absence of a widow, widower or child, when, as here, the author dies prior to the twenty-eighth year of the original term and the will is in derogation of his *inter vivos* assignment. The *De Sylva* case decided, in circumstances in which the author died prior to the twenty-eighth year of the original term, leaving a widow and children, that the statutes vests the renewal copyright in the widow and children as a class rather than in the widow exclusively. No question of the author's *inter vivos* assignments, or the executors' rights and duties was even remotely involved. In tracing the development of the renewal term, however, this Court did construe its holding in the *Fred Fisher Music Co.* case (as we have *supra*), to mean that prior to the twenty-eighth year of the original term the author assigns only the "*expectancy in his future rights of renewal*," 351 U. S. at 574 (emphasis supplied), and not the renewal copyright itself or the expectancy of the widow, child, executor, or next of kin.

2. Petitioner's other contention—that the decision below involves a question of widespread significance not previously settled by this Court—is unconvincing. Judge Bryan stated (158 F. Supp. at 190), that there have been no reported cases on the issue presented here, although the particular statute in question has been on the books in its present form since 1870. This is some indication, we submit, of the narrow application of the issue here presented.

Mr. Abeles states, in a personal observation (Pet. for Cert. p. 19), that assignments of renewal interests by authors, in the same category as the assignment in the instant case, have been entered into in good faith by authors and music publishers upon the assumption that such assignments were valid and enforceable. The authors of this brief are as familiar with prevailing agreements in the music publishing industry and with renewal assignments as is Mr. Abeles, and we have personally examined a number of renewal agreements prepared by Mr. Abeles for his clients, as well as hundreds of others. In practically every case, the music publisher who negotiates for the acquisition of renewal rights, insists on assignments from wives, children and next of kin, if such assignments can be obtained. All of such agreements of assignment are made "upon the assumption that they were valid and enforceable". The sole reason for obtaining the signatures of the members of the author's family, as well as his own, is the knowledge that the author's rights are contingent upon his surviving the 27th year of the original period of copyright. Even had Ben Black been married, and the signature of his wife obtained by petitioner, the interest of the widow would have been contingent upon her surviving into the 28th year of original copyright. The right to renew of every class mentioned in Section 24 of the Copyright Act is contingent upon survival of that original term.

Mr. Abeles and his client fully realized that in the case of "Moonlight and Roses," they were buying only a chance to obtain the renewal of the Ben Black interest, contingent upon his survival as aforesaid. Why, otherwise, did they promptly proceed to obtain assignments from Ben Black's next of kin? The next of kin could not possibly have had any interest in the renewal copyright unless Ben Black did not survive the 27th year of the original period of copyright.

Mr. Abeles seeks assurance that every assignment of renewal rights made in good faith should be enforcible.

But no decision of this Court can furnish such assurance. An assignment in which all of the author's family join would not be effective against his then unborn or minor children or against a widow to whom he was not married at the time of the assignment, or against then unborn or minor next of kin.

The decision below, moreover, does not invalidate Ben Black's assignment to petitioner. Had Black survived into the twenty-eighth year, petitioner would clearly have obtained the renewal rights under the *Fred Fisher Music Co.* case. The chance that he would not so survive, and the consequent lapse of the author's right to renew, was the risk which petitioner knowingly took, and paid for, which accounts for the bargain price of $1,000 for 18 songs, chargeable against royalties which would be payable only if petitioner actually acquired the renewal copyrights in question.

3. The decision below is correct and, contrary to the assertion of petitioner, does not lead to an incongruous result.

Petitioner's claim is based upon an assignment of a future, and necessarily contingent, right. Petitioner conceded below, 158 F. Supp. at 192, that if the author were not alive during the twenty-eighth year of the original copyright term, and if the author were survived by a widow or child, the right to apply for and obtain a renewal copyright would vest in such widow and/or child, without accountability to petitioner; petitioner also conceded that, if there were no widow or child and if the author died intestate, such right would vest in his next of kin.

Thus, the interest which Ben Black assigned to petitioner was an "expectancy" only. *De Sylva* v. *Ballentine*, 351 U. S. 570, 574 (1956); *Rossiter* v. *Vogel*, 134 F. (2d) 908 (2d Cir. 1943). Upon Black's death prior to the twenty-eighth copyright year the expectancy lapsed, and the right to renew passed to the next elibigle class under the system of succession established by Congress in 17 U. S. C. § 24.

To argue, as petitioner does, that the executor represents "the person of his testator", begs the question, as clearly stated by Judge Bryan below, 158 F. Supp. at 189-190:

> "The question presented here is whether the assignment of his renewal rights by Ben Black, one of the co-authors of the song, to plaintiff prior to the time when they accrued at the commencement of the last year of the original term of the copyright was defeated by the author's death before the perio commenced within which renewal could be made."

In *Fox Film Corp.* v. *Knowles*, 261 U. S. 326 (1923), this Court rejected the argument that the executor's right to renewal is dependent upon the author's rights at the time of his death, and held, as did the Court below, that the executor's renewal rights arise out of a separate and independent grant by Congress.

Gibran v. *Alfred A. Knopf, Inc.*, 153 F. Supp. 854 (S. D. N. Y. 1957), aff'd 255 F. (2d) 121 (2d Cir. 1958), is entirely consistent with this holding and further supports respondent's position. There the author, who left neither widow nor children, did leave a will but failed to name an executor, as a result of which administrators c.t.a. were appointed. The contest was between the administrators and the next of kin for the renewal right. It was held that the renewal right vested in the administrators c.t.a. because for all practical purposes they were the equivalent of an executor.

The language of Judge Weinfeld's opinion, 153 F. Supp. at 857-8, is significant in its emphasis on Congressional intent to protect the author's residuary legatees (represented by the executor) in the absence of a widow and children:

> "The House committee report (also adopted as the Senate committee report) which accompanied the renewal section prior to its enactment by the Congress shows that its purposes were first to protect

> the author against his own improvident conduct in surrendering renewal rights during the original term; second, to set up a statutory scheme of priority in the renewal rights for the benefit of those naturally dependent upon, and properly expectant of, the author's bounty; and third, to permit the author who had no wife or children to bequeath by will the right to apply for renewal.
>
> "To construe 'executors' as used in the statute in the very strict and literal manner urged by the sister would defeat the purpose and intent of Congress to permit an author to bequeath the renewal rights. * * *"

The decision below carries out the intent of Congress in protecting the author's right to bequeath the renewal rights by will. It follows existing law to the effect that the assignment by Ben Black to Petitioner was of an expectancy only, contingent upon Black's survival into the 28th year of the original term. It follows the statutory language and legislative history to the effect that no distinction or exception is created with respect to the renewal by an executor, as compared to the renewal by the widow, children, or next of kin.

4. The Petition for a Writ of Certiorari completely overlooks the California law problem which is, or may be, an integral part of the decision in this case. We agree with Judge Bryan's conclusion, 158 F. Supp. at 191, that "one who claims as a stranger to the estate or adversely to the estate, rather than as an heir, devisee or legatee, will not be bound by a decree of distribution since the jurisdiction of the probate court is limited to rights granted in privity with the estate and does not extend to the rights or titles of adverse claimants."

That, however, was not our contention. The complaint alleged that decedent "bequeathed by Will" the right of his executor "to apply for the renewal of said copyright in said musical composition for and on behalf of plaintiff." Re-

spondent, in the trial court below, accordingly urged that, insofar as petitioner claimed by reason of a bequest of Ben Black, judgment must be rendered against petitioner because it would then be claiming not as a stranger to the estate but as a devisee, and would be bound by the decree of distribution.

Petitioner has apparently abandoned any hope of seeking an adjudication that the renewal right of the executor is exercised for the benefit of the next of kin. To the extent, however, that the petitioner's argument herein is construed to claim the renewal copyright interest as a person entitled to distribution of assets of the Estate of Ben Black, the state law question remains for determination.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition for a writ of certiorari should be denied.

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